

Memorandum

Date : November 30, 2000

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To : Robert Pernell, Presiding Member
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: **California Energy Commission - James W. Reede, Jr.**
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Subject : **NUEVA AZALEA POWER PLANT STATUS REPORT #2 – November 30, 2000**

Since the October Status Report was filed, staff held a Data Request Workshop on November 1, 2000 in the City of South Gate. On November 6th & 9th, Applicant filed a Notice of Objection to staff and Intervenor City of Downey and Communities for a Better Environment (CBE) Data Requests. On November 10th & 29th, Applicant filed the remaining supplemental responses to staff's first set of data requests, originally due October 11, 2000.

Data requests from two intervenors, CBE and the City of Downey, Energy Commission staff and CalTrans, were filed on October 24, 2000, with partial responses to commission staff requests delivered November 29th. The remaining responses are projected to be submitted on December 15, 2000. The Applicant has begun providing submittals electronically and they have been posted to the Energy Commission Website.

The City of South Gate notified staff on November 29, 2000, of their intention to Intervene and issue data requests.

A presentation was made to the Ethnic Advisory Committee of the South Coast Air Quality Management District on November 8, regarding the status of all proposed plants in the South Coast air basin.

Significant Issues: At the Informational Hearing on October 2, significant issues were identified in these technical areas: air quality, alternatives, environmental justice, public health, traffic and transportation, water resources and visual resources. Staff data requests were submitted to the Applicant in most of these areas along with cultural resources, transmission systems engineering and noise.

The most significant issues identified thus far are *air quality, environmental justice and public health*. The *air quality* key issues are the acquisition of emission reduction credits, especially the geographic source of these offsets, the local impacts on sensitive receptors, background ambient air concentrations and the results of cumulative air quality impact analysis. Staff has issued data requests in these areas.

Caltrans has raised objections for safety reasons due to proximity to the Interstate 710 freeway. Caltrans has written letters requiring modification of the lighting scheme for

the facility and various studies. They also expressed concern with potential shutdowns of the freeway due to the cooling tower plume creating a fog bank on the adjacent stretch of roadway. Commission staff is verifying the modeling to determine the frequency of occurrences.

The results of the Southern California Edison Transmission Facilities Interconnection Study were received on November 29. This study allows for only two alternatives, both of which require extensive transmission line reconducturing, tower replacement and ancillary work. Alternative #1 requires 24 miles of new conductor and 56 new towers. Alternative #2 requires 41 miles of new conductor and 84 new towers.

The applicant needs to choose an alternative, and in a supplement to the AFC, describe that alternative, assess the environmental consequences of the preferred alternative, and identify appropriate mitigations. Staff must address the environmental consequences of any transmission facilities that are required to interconnect the project and include an analysis in the Preliminary Staff Assessment. As soon as the applicant identifies the alternative and provides the required information, staff will begin the analysis of that route. We expect that it may take several months to complete the analysis. This study will impact the writing of the vast majority of the Preliminary Staff Assessment sections.

Community and Agency Interest: The NAPP project is being closely followed by the Southeast Los Angeles communities. About 40 members of local neighborhoods attended the data request workshop held on November 1.

Because of the proximity of the proposed plant to sensitive receptors and minority communities, the public has expressed serious concerns. These participants are very interested in being kept informed about meetings which they requested to be held in South Gate during evening hours.

The public agencies who have thus far expressed an active interest in the NAPP project by attending the Hearings and workshops are: City of South Gate, City of Downey, City of Bell Gardens, City of Huntington Park, South Coast Air Quality Management District and Caltrans.

Schedule: On October 10 the Project Committee filed a scheduling order for the NAPP project. It directs that the Preliminary Staff Assessment (PSA) be filed by January 22, 2000. This schedule is in jeopardy for several reasons. The Applicant has not timely filed adequate responses for the first set of data requests (up to 6 weeks late on some responses) and have objected to 4 of the staff's 2nd round requests and 14 of the CBE1st round requests. The applicant is additionally proposing to deliver 6 of the 2nd round responses on December 15th at the earliest (2 weeks late). The Applicant has not provided an interpollutant transfer analysis nor cumulative impact analysis as part of the Emissions Reduction Credits package as required by Scheduling Order's October 20th due date (6 weeks late).

The Preliminary Determination of Compliance (PDOC) from the South Coast Air Quality Management District (SCAQMD) was expected in early December. The SCAQMD has indicated that the applicant has not timely filed the information required and that the date of issuance of the PDOC for public comment has slipped by six weeks to January 19, 2001, due to their scheduling priorities. If the PDOC is not issued until January 19, then the document (and the public comments that will be submitted subsequent to that date) will not be available for inclusion in the drafting of the PSA. We can include the comments to the PDOC in the Final Staff Assessment. Staff can not prepare a complete PSA without the PDOC information from the SCAQMD.

Due to the aforementioned unresolved issues, staff does not recommend filing its PSA on January 22, 2001. Given the potential for delay due to the applicant's late submittal of the air quality information, and the need for the environmental analysis of the transmission line reconductoring, staff requests that a new PSA date be identified as 60 days after the receipt of substantially all data required for a complete analysis. An extension of discovery may be necessitated by the transmission line analysis and will be reported to the committee when appropriate.

Cc: Nueva Azalea Proof of Service